

1 THE TIR CUSTOMS TRANSIT SYSTEM

1.1 INTRODUCTION

1.1.1 BACKGROUND

Anyone who has ever travelled on roads, ranging from Western-Europe to Central Asia, will recognize the familiar blue and white TIR plate borne by lorries and semi-trailers using the TIR customs transit system. For drivers, transport operators and shippers, this plate and the transit facilitation procedures that it encompasses stand for fast and efficient international transport.

Work on the TIR transit system started soon after the Second World War under the auspices of UNECE. The first TIR Agreement was concluded in 1949 between a small number of European countries. The success of this limited scheme led to the negotiation of a TIR Convention which was adopted in 1959 by the Inland Transport Committee and entered into force in 1960. This first TIR Convention was revised during a Review Conference in November 1975, to take account of practical experience in operating the system and to give effect to technical advances and changing customs and transport requirements. The revised TIR Convention of 1975 entered into force in 1978.

Against the backdrop of the Sustainable Development Agenda, adopted by United Nations member States in 2015, the relevance of the TIR system remains very prominent today. The TIR system, which offers a balance of security and facilitation, can contribute substantially to the Sustainable Development Goals, in particular, Goals 9 (Industry, innovation and infrastructure), 12 (Responsible consumption and production) and 17 (Partnership for the goals). It is undoubted that harmonized border crossings procedures, such as the TIR procedure, are essential to leverage the benefits of infrastructure projects. Furthermore, efficient and secure international transit not only contributes to improving the global supply chain but also avoids wasting precious resources at border crossings. The TIR system might never have been put in practice if its implementation had not been based on a transparent and reliable public-private partnership.

The implementation of the TIR Convention can also help countries to meet the numerous transit related objectives of the World Trade Organization Trade Facilitation Agreement (WTO-TFA), which entered into force on 22 February 2017. From the availability and the publication of information, to the cooperation between customs administrations, but in particular when it comes to the freedom of transit, the TIR system can be and should be viewed as a valuable tool which will ensure that the transit facilitation commitments arising from the WTO-TFA are met.

Finally, the United Nations office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) has recognized the potential of the TIR system in keeping with the objectives of the Vienna Programme of Action for Landlocked Developing Countries for the decade 2014-2024. The implementation of the TIR Convention can play a significant role in transforming landlocked countries into land-linked countries and, thus, greatly increasing their trade potential.

1.1.2 GEOGRAPHICAL COVERAGE

The TIR Convention has, to date, 73 Contracting Parties, including the European Union. It covers a large part of the Euro-Asian continent, reaches out to North Africa and has Contracting Parties in North and South America. China, India, Pakistan, the State of Palestine and Qatar are the latest countries having acceded to the Convention. The TIR system is operational in 60 countries, while the latest countries having acceded are expected to become operational in the near future. A complete list of the Contracting Parties to the TIR Convention as well as a list of countries in which the TIR system is operational can be found in Chapter 3.

More countries in Asia, Africa and in Latin America are considering the potential benefits of the TIR system or have already indicated their interest to accede to the Convention.

Over the years, the TIR Convention has not only proven to be one of the most useful international transport conventions but it has also served as inspiration for many regional transit systems and has, thus, contributed indirectly to the facilitation of international transport in parts of the world in which countries have not yet acceded to the TIR Convention.

The continued success of the TIR Convention can be explained by the special features of the TIR system, which are described in this chapter. They offer transport operators and customs authorities a simple, flexible, cost-effective and secure customs regime for the international transport of goods across borders.

1.1.3 REVISION PHASES OF THE TIR CONVENTION, 1975

Since 1975, the TIR Convention has been amended thirty four times. In 1995, the UNECE Working Party on Customs Questions affecting Transport (WP.30), supported by several expert groups, began work on a major overhaul of the TIR system.

Phase I of the TIR revision process was successfully concluded in 1997 and the amendments came into force for all Contracting States to the TIR Convention on 17 February 1999. These amendments introduced the controlled access to the TIR system for transport operators as well as the conditions of authorization of national TIR

Carnet issuing and guaranteeing associations (Annex 9, Parts I and II). Phase I also provided for transparency in the functioning of the international guarantee system and established an inter-governmental supervisory body, the TIR Executive Board (TIRExB).

A second package of amendments to the TIR Convention (Phase II) came into force on 12 May 2002. It clearly and unequivocally stipulates the legal and administrative responsibilities of customs authorities, transport operators and the international organization which, upon authorization by the Administrative Committee, has become responsible for the effective organization and functioning of the international guarantee system.

In the year 2000, work commenced on Phase III of the TIR revision process, with a view to introducing the use of modern electronic data processing techniques in the TIR system without altering its principles nor its recently modernized legal and administrative structure.

One such amendment, which came into force on 12 August 2006, established an international control system for TIR Carnets whereby the termination of a TIR transport is electronically confirmed by the customs office of destination (Annex 10 of the TIR Convention, 1975). The objective of this international control system is to provide the transport industry and the international guarantee chain with an important risk management tool, as well as to facilitate inquiry procedures by customs.

With the conclusion of the ongoing Phase III of the TIR revision process, the TIR regime will be fully computerized and well positioned to cope with the future requirements of efficient international transport and trade and customs administrations.

1.1.4 OBJECTIVE AND ADVANTAGES

Customs transit systems are devised to facilitate, to the greatest possible extent, the movement of goods in international trade and to provide the security required by customs administrations. For such a system to function satisfactorily, it is essential that any formalities involved are neither too burdensome nor too complex for customs officials or for transport operators and their agents. Therefore, a balance needs to be struck between the requirements of customs authorities and those of transport operators.

Without an international transit system, when goods crossed the territory of one or more States in the course of an international transport of goods, customs authorities in each State applied national controls and transit procedures. These varied from State to State, but frequently involved the inspection of the load at each national border and the application of national security requirements (guarantee, bond, deposit of duty, etc.) to cover the potential duties and taxes at risk while the goods were in transit through

each territory. These measures, applied in each country of transit, led to considerable costs, delays and interferences with international transport.

The TIR system aims to reduce these difficulties experienced by transport operators and, at the same time, to offer customs administrations an international system of control replacing traditional national procedures, whilst effectively protecting the revenue of each State through which goods are carried.

(a) Advantages for customs administrations

The TIR system significantly reduces the time and cost required for customs transit by comparison to national transit procedures. At the same time the system minimizes the need for expensive and resource consuming physical inspections in countries of transit, other than checking seals and external conditions of the load compartment or container. It also dispenses with the need to operate national guarantees and to use national declaration systems.

In addition, advantages arise from the fact that the entire transport is covered by a single document, the TIR Carnet, which reduces the risk of presenting inaccurate information to customs authorities, as well as provides proof of the existence of an internationally valid guarantee.

In cases where irregularities are suspected, customs authorities have the right to inspect the goods and, if necessary, to interrupt the TIR transport and/or to take adequate measures in accordance with national legislation. However, in view of the strict provisions of the TIR Convention and in the interest of facilitation of international transport, such interventions should remain exceptional. Customs authorities can, therefore, reduce routine procedures to a minimum and focus their resources to specific control measures based on risk assessment.

TIRExB, as a supervisory body, ensures that each of the actors in the TIR procedure applies the provisions of the Convention. In case of difficulties in the application of the TIR Convention at the international level, customs authorities may wish to address TIRExB for guidance and support. The Board is also at the disposal of all Contracting Parties as a coordination platform, as well as for the exchange of intelligence and other information.

(b) Advantages for the transport industry

Under the TIR procedure, goods may travel across borders with minimum interference from customs administrations. By removing traditional impediments to the international movement of goods, the TIR system encourages the development of international trade, which is particularly important in the case of landlocked developing countries. By reducing delays in transit, the TIR system also enables significant savings to be made in transport costs.

Furthermore, transport operators benefit from the ease with which internationally valid guarantee coverage can be accessed at a reasonable cost, on account of the uniquely designed international guarantee chain.

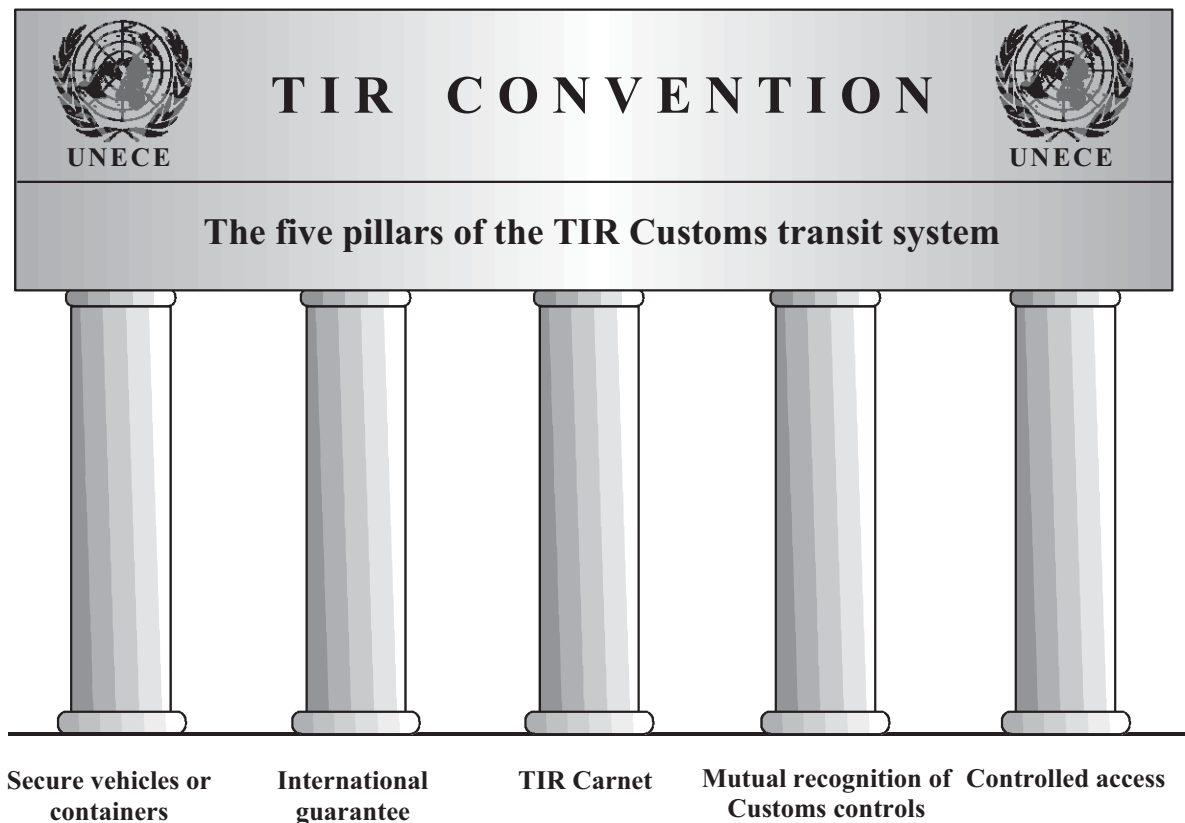
1.2 PRINCIPLES

In order to ensure that goods may travel with a minimum interference "en route" and yet offer maximum safeguards to customs administrations, the TIR system contains five basic requirements – the five pillars of the TIR customs transit system (see Figure 1):

- (1) Goods should travel in customs secure vehicles or containers;
- (2) Throughout the journey, duties and taxes at risk should be covered by an internationally valid guarantee;
- (3) Goods should be accompanied by an internationally accepted customs document (TIR Carnet), opened in the country of departure and serving as a customs control document in the countries of departure, transit and destination;
- (4) Customs control measures taken in the country of departure should be accepted by all countries of transit and destination;
- (5) Access to the TIR procedure for:
 - national associations to issue TIR Carnets and to act as guarantor;
 - natural and legal persons to utilize TIR Carnets; and
 - international organizations to take on the responsibility for the effective organization and functioning of an international guarantee system;

shall be authorized, as appropriate, by competent national authorities or the TIR Administrative Committee.

Figure 1: Pillars of the TIR System



1.2.1 APPROVAL OF ROAD VEHICLES AND CONTAINERS

The TIR Convention stipulates that goods shall be carried in containers or road vehicles the load compartments of which are constructed in such a way that there shall be no access to the interior when secured by a customs seal and that any tampering will be clearly visible.

To this end, the Convention sets out standards of construction, as well as approval procedures, so that goods may only be carried under cover of a TIR Carnet if the load compartment of the road vehicle or the container is approved in accordance with these requirements. If a container or a load compartment fulfils the requirements of the Convention, relevant national approval or inspection authorities issue approval certificates for road vehicles or containers. These certificates are valid in all Contracting Parties to the TIR Convention.

If national approval or inspection authorities are in doubt as to whether new constructions proposed by manufacturers are in line with the technical provisions of the TIR Convention, they may address their query through their respective governmental

authorities to TIRExB and the TIR secretariat, to the TIR Administrative Committee (AC.2) or to the UNECE Working Party on Customs Questions affecting Transport (WP.30) for an opinion on this matter. The Working Party and the TIR Administrative Committee may issue a comment or, if it is a major and generally applicable new construction that is not yet covered by the TIR Convention, prepare, if necessary, an amendment proposal for modification of the Convention (as was recently done in Amendment 33, which entered into force on 1 January 2017 and which introduces vehicles and containers with sheeted sliding roofs).

1.2.2 INTERNATIONAL GUARANTEE SYSTEM

The second pillar of the TIR transit system is its international guarantee system. This system was designed to ensure that customs duties and taxes at risk during transit operations are covered, at any moment, by a national guaranteeing association, in the event that such payment cannot be obtained from the directly liable person(s).

The TIR guarantee system is straightforward. Every national association, representing the interests of the transport sector in a particular country and authorized by the Government of that country, guarantees payment - within that country - of any duties and taxes which may become due in the event of any irregularity occurring in the course of a TIR operation. This national guaranteeing association, thus, guarantees the payment of duties and taxes of national and foreign carriers under TIR Carnets which have been issued by this national guaranteeing association itself or by an association in some other country.

Therefore, every country has the benefit, for all TIR transport operations within its territory, of a guarantee provided in its territory. There is, so to speak, always a national partner from which the customs authorities can seek payment in cases of irregularity, irrespective of whether this irregularity was caused by a national or foreign transport operator. The TIR transit system may, therefore, be considered as a succession of national transit movements relying on international rather than national guarantees. However, the arrangements governing the establishment of the guarantee are based on national law and are contained in an agreement between the national customs authorities and the national associations (an example agreement is contained in Chapter 6 of the TIR Handbook).

As a result, all national guaranteeing associations are referred to as constituting an international guarantee chain. To date the only existing and well-functioning TIR guarantee chain is administered by the International Road Transport Union (IRU) in Geneva (Switzerland), which is a non-governmental organization representing the interests of road transport operators worldwide. IRU carries out this function upon authorization by AC.2. The guarantee chain is supported by several large international insurance companies and is supervised by TIRExB.

In the event of any irregularity, before approaching the guaranteeing association, the customs authorities should seek payment from the person(s) directly liable. If the guaranteeing association becomes liable (for instance because of the bankruptcy of the person(s) directly liable), it is always the guaranteeing association of the country where the irregularity has been found which is called upon by customs authorities of that country, so that the matter can be settled within the country on the basis of national law. This guaranteeing association will however apply, through the international guarantee chain, for reimbursement of their expenses.

The monetary limits to the guarantee can be determined for each country separately. As of 1 July 2016, the international organization informed Contracting Parties that the guarantee chain had raised the maximum amount that may be claimed from each national association to EUR 100,000 per TIR Carnet. A formal amendment of the Convention to reflect this maximum recommended amount is currently pending.

1.2.3 THE TIR CARNET

The TIR Carnet is an international customs document and constitutes the administrative backbone of the TIR system. It also provides proof of the existence of an international guarantee.

Under the supervision of TIRExB, IRU is, at present, the only international organization authorized to centrally print and distribute TIR Carnets to its national guaranteeing associations under conditions set out in the Convention. Each national association, in turn, issues the TIR Carnets to transport operators in its country in accordance with the conditions set out in the declaration of commitment concluded between each transport operator and the association.

After having been duly filled in and signed by the issuing association and the transport operator, the cover page of the TIR Carnet attributes the guarantee to the transport operator for a single TIR transport. The series of vouchers and counterfoils, in sets of two inside, allow the transport operator to declare the transported goods and customs to register the results of the controls that have been carried out.

The presentation of a valid TIR Carnet bearing the names, stamps and signatures of the international organization and those of the issuing association and duly filled-in by the transport operator is, in itself, proof of the existence and validity of the guarantee. The TIR Carnet remains valid until the completion of the TIR transport at the customs office of final destination, provided it has been accepted by the customs office of departure within the time limit prescribed by the issuing association.

1.2.4 INTERNATIONAL RECOGNITION OF CUSTOMS CONTROL MEASURES

The fourth pillar of the TIR transit system is that customs control measures taken in the country of departure should not be repeated by the countries of transit and destination.

More specifically, goods carried under the TIR procedure in sealed load compartments of road vehicles or in containers will not, as a general rule, be examined at customs offices en route, and that is where the main advantages of the TIR system for the transport operator come into play. This does not exclude the right of customs authorities to carry out spot checks in cases where they suspect irregularities, but it is understood and even stipulated in the Convention, that such checks should be exceptional.

It is pivotal that the controls carried out at the customs office of departure should be stringent and complete. The customs office of departure must also, before affixing seals, check the condition of the load compartment of the road vehicle or the container and, in the case of sheeted load compartments or containers, the condition of the sheets and sheet fastenings.

1.2.5 CONTROLLED ACCESS TO THE TIR SYSTEM

In 1999, Phase I of the TIR revision process brought a number of modifications to the TIR Convention, establishing further requirements and obligations for the transport industry (both operators and national associations) to utilize the TIR system. These measures have been introduced to safeguard the system against fraudulent activities, committed, in particular, by internationally organized crime.

Annex 9 to the Convention stipulates conditions and requirements for the authorization, by national competent authorities (usually customs authorities), of national associations to issue TIR Carnets and to act as guarantor. In addition to commercial requirements which may be imposed by the international organization (i.e. IRU), the revised Convention specifies that national associations can only be authorized if they have been in existence for at least one year, are financially sound and have not committed any serious or repeated offences against customs or tax legislation. Furthermore, these associations must establish a written agreement with the competent authorities of the country in which they are established and must, among others, provide proof of existence of a guarantee covering their financial liabilities vis-à-vis national customs authorities (an example authorization and agreement are contained in Chapter 6).

Annex 9 to the Convention also stipulates minimum conditions and requirements for transport operators to obtain access to the TIR system. These conditions include sound financial standing, absence of serious or repeated offences against customs or tax legislation and the deposit of a written declaration with the national association issuing TIR Carnets specifying the responsibilities of the transport operator.

In February 2012, the Administrative Committee of the TIR Convention adopted amendments to Article 6 and introduced a new Part III in Annex 9 to the TIR Convention, establishing the conditions and requirements to be complied with by an international organization which is authorized to take on the responsibility for the effective organization and functioning of an international guarantee system and to print and distribute TIR Carnets. These amendments establish the definition of the international organisation and clearly outline its authorization process. These amendments entered into force on 10 October 2013.

In order to keep track of and share information on authorized TIR Carnet holders, TIRExB established the International TIR Data Bank (ITDB), accessible to all Contracting Parties. The ITDB, operated by the TIR secretariat and maintained by national customs administrations in collaboration with national associations, contains information on all authorized TIR Carnet holders, using a unique identification (ID) code system. Currently, there are more than 33,700 TIR Carnet holders registered in the ITDB. Any withdrawal of authorization by Customs authorities as well as exclusion from the system under Article 38 of the Convention is also recorded.

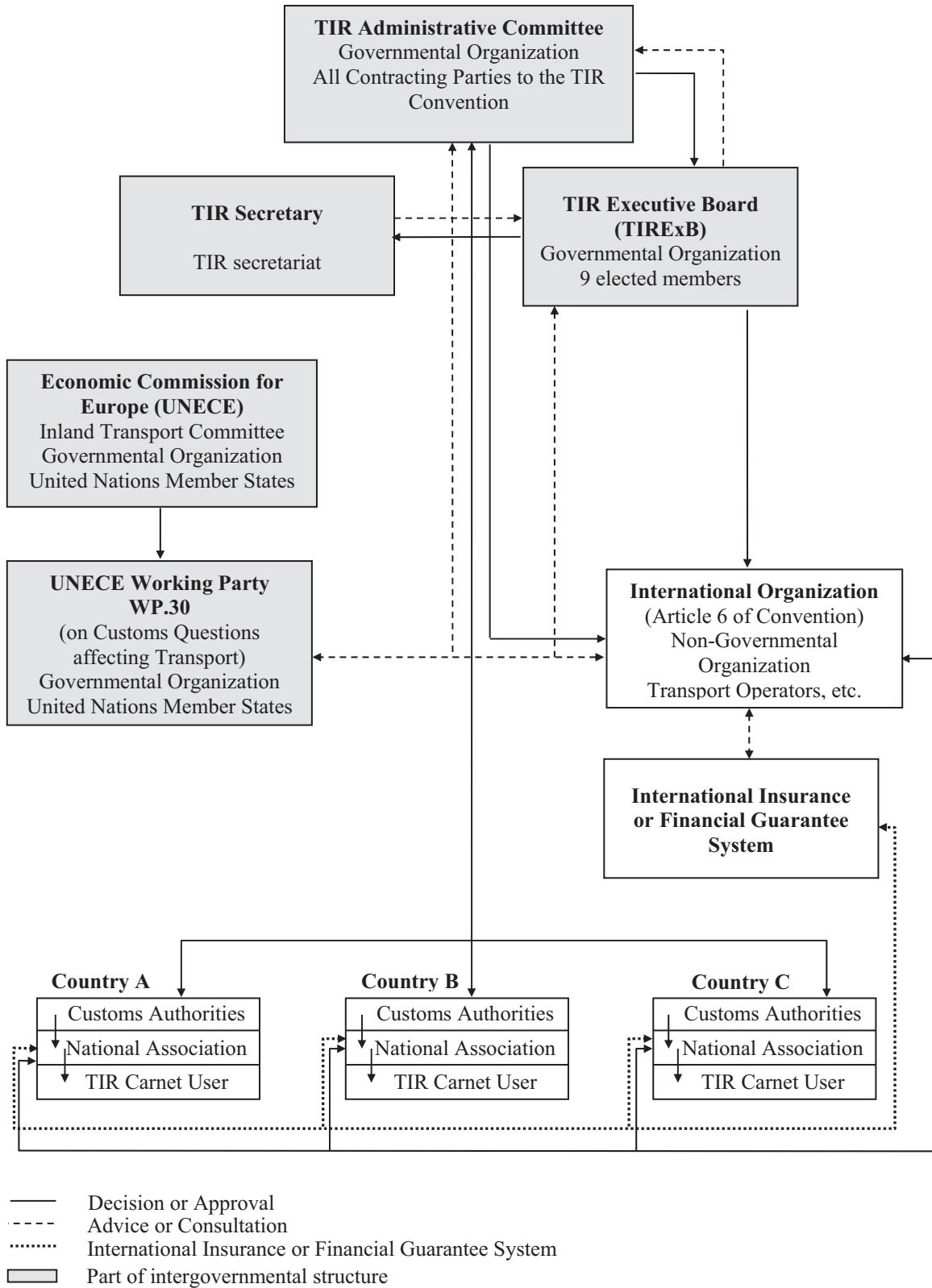
1.3 ADMINISTRATIVE STRUCTURE

The smooth functioning of the TIR system relies on the interest and active involvement of all parties concerned, be it transport operators, customs authorities or the guarantee chain. To this end, the TIR system and the TIR Convention as its legal base, have to be constantly kept up-to-date. This task has been entrusted to AC.2, with support from TIRExB and WP.30. The TIR and UNECE secretariats provide the necessary support to organize meetings of these three bodies.

An overview of the administrative structure of the TIR Convention is provided in [Figure 2](#) below.

An overview of the roles and responsibilities of the different parties involved in the TIR system is given in Chapter 1.9 of the Handbook.

Figure 2: Administrative Structure of the TIR System



1.3.1 THE TIR ADMINISTRATIVE COMMITTEE

AC.2, composed of all Contracting Parties to the Convention, is the highest decision-making body under the Convention. It usually meets twice a year in spring and autumn under the auspices of UNECE in Geneva, to approve amendments to the Convention and to give all countries, competent authorities and concerned international organizations an opportunity to exchange views on the functioning of the system. AC.2 monitors the national and international application of the Convention and examines any measure taken by Contracting Parties, associations and international organizations under the Convention and their conformity therewith. Until today thirty four amendments to the TIR Convention have been adopted and numerous resolutions, recommendations and comments have been approved by the Committee.

1.3.2 TIR EXECUTIVE BOARD (TIREXB)

The TIR Executive Board (TIRExB) was established by AC.2 in 1999. Its objective is to enhance international cooperation among customs authorities in the application of the TIR Convention, to provide support in the application of the TIR system and to supervise the functioning of the international guarantee system, including the centralized printing and distribution of TIR Carnets. TIRExB is composed of 9 members who are elected in their personal capacity by the Governments which are Contracting Parties to the Convention for a two-year term of office.

The decisions of TIRExB are executed by the TIR Secretary who is assisted by the TIR secretariat. The TIR Secretary is a member of the UNECE secretariat.

The operation of TIRExB and the TIR secretariat is financed, for the time being, through an amount on each TIR Carnet distributed.

1.3.3 THE UNECE WORKING PARTY ON CUSTOMS QUESTIONS AFFECTING TRANSPORT (WP.30)

The work of AC.2 is supported by the Working Party on Customs Questions affecting Transport (WP.30) which holds three sessions a year in Geneva, usually in conjunction with the sessions of AC.2. Participation in the Working Party is open to all member States of the United Nations and to interested international organizations.

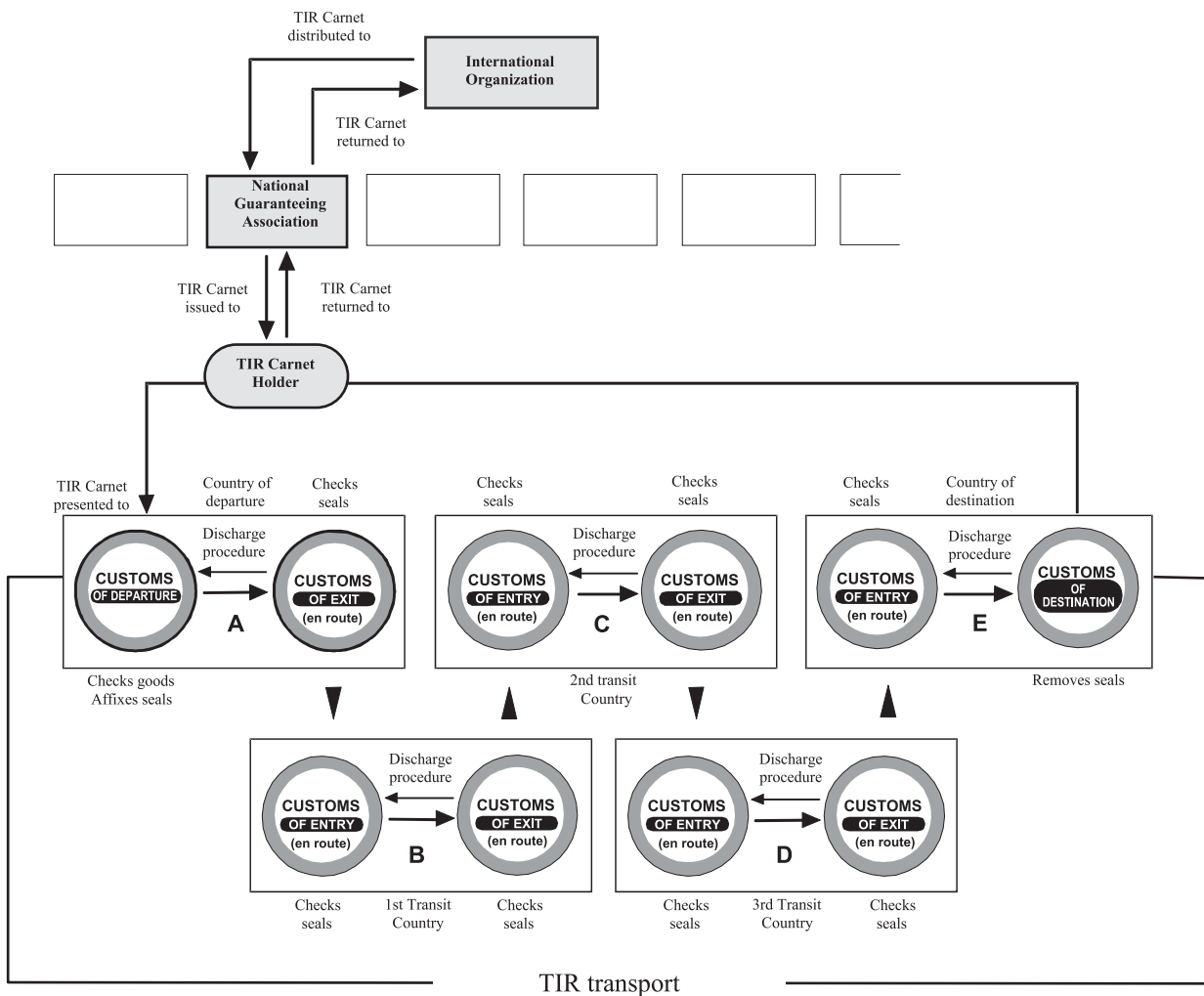
The Working Party regularly considers amendments to and comments on certain provisions of the Convention, before transmitting them to AC.2 for endorsement. Comments are not legally binding for the Contracting Parties to the Convention, but are important for the interpretation and harmonized application of the TIR Convention, as

they reflect a consensus opinion of the majority of the Contracting Parties and the major users of the TIR system.

1.4 THE TIR SYSTEM IN OPERATION

The procedures described below show in a schematic way the operation of the TIR system in practice, with particular reference to the customs control procedures (see Figure 3 below).

Figure 3: The TIR system in operation



At the customs office of departure, which usually is the one where export formalities are performed, customs authorities check the load on the basis of the information contained in the TIR Carnet (goods manifest) completed by the transport operator. Customs authorities seal the load compartment, record it in the TIR Carnet by

means of indicating the number and identification particulars of the seals or identification marks applied, keep one sheet (white voucher) and fill-in the corresponding counterfoil. The TIR Carnet is handed back to the transport operator, who starts the transport operation. When crossing the border of that country, the customs office of exit checks the seals, detaches a second sheet (green voucher) from the TIR Carnet and fills-in the corresponding counterfoil. The vehicle may then leave the country. The filled-in counterfoils by customs provide evidence to the transport operator that the TIR operation in that country has been terminated.

Customs authorities will then proceed with the discharge of the TIR operation; i.e. the recognition by customs authorities that the TIR operation has been terminated correctly according to the required procedure as described below (although other procedures, including the use of electronic means or central offices, may also be applied): the customs office of exit (i.e. the one at the border) sends the detached sheet (green voucher) to the customs office of departure. The latter compares the received sheet with the one it initially retained. If there are no objections and no reservations by the customs office of exit, the TIR operation can be discharged by the customs authorities.

If the sheet, detached by the customs office of exit, contains reservations, if it does not reach the customs office of departure or if customs authorities have any other reason to question the proper application of the TIR operation, an internal inquiry will be launched. Also, the transport operator and the national guaranteeing association concerned will be informed that the termination of the TIR operation has been certified with reservations, or has not taken place at all or that other reasons have led to doubts about the proper application of the TIR system and that they are requested to provide explanations. If these explanations do not satisfy customs authorities, they apply the provisions of the TIR Convention and national legislation to determine the taxes and duties due to customs. If it appears impossible to collect these from the person(s) directly liable, customs authorities advise the guaranteeing association that it will have to pay up, but within the limit of the maximum guarantee amount stipulated by the agreement between customs authorities and the national association, in accordance with the deadlines stipulated in the Convention.

In every traversed country, the system is similar to the one implemented in the country of departure. The customs office of entry en route checks the seals and withdraws one sheet from the TIR Carnet, and the customs office of exit en route proceeds likewise. Both sheets are compared for a final control and the TIR operation can be discharged or, in the case of irregularities, submitted to the procedure outlined above. In the country of destination, if the incoming border office also is the office of destination, it fills-in the TIR Carnet, retains two sheets and becomes responsible for the goods to be transferred to another customs procedure (warehousing, import clearance, etc.). If the load has to be carried to another customs office in the same country, the

incoming office acts like an incoming border office, and the next office inside the country becomes that of final destination.

The system normally is implemented as explained above, but any national administrative procedures and control prerogatives of every customs office involved remain unaffected. If an office suspects fraud, finds seals faulty or has reason to believe the TIR Carnet has been tampered with, it will check the goods and it may, if appropriate, interrupt the TIR transport.

In order to ensure more efficient controls, customs authorities may prescribe a transport route along which vehicles are easily spotted with the TIR plate they must bear. The journey should also be performed within a reasonable time limit. Transport operators who cannot abide by travel times or routes for any reason (flood, snow, breakdown of the vehicle, etc.) should be able to justify such derogations or delays. In more serious cases (broken seals, need for the transshipment of goods onto another vehicle, total or partial destruction of the load, etc.) the transport operator should obtain an official statement from any available local authority utilizing the Certified Report contained in the TIR Carnet. On the basis of such a report, customs authorities may start any inquiry needed.

Examples of best practices for the termination, discharge and inquiry procedure are contained in Chapter 5 of the TIR Handbook.

1.5 FUTURE DEVELOPMENT OF THE TIR SYSTEM

1.5.1 WORLD-WIDE APPLICATION OF THE TIR SYSTEM

The TIR system is promoted under the auspices of the United Nations to make it as widely available as possible for all countries wishing to make use of it. In 1984, the Economic and Social Council of the United Nations (ECOSOC) adopted a Resolution (1984/79) which recommends that countries worldwide examine the possibility of acceding to the Convention and introducing the TIR system. Furthermore, it recommends that international, intergovernmental and non-governmental organizations, and in particular the Regional Commissions of the United Nations, promote the introduction of the TIR system as a global customs transit system.

In accordance with this ECOSOC Resolution, activities have been undertaken to promote the ratification of the TIR Convention beyond the present 73 Contracting Parties. Regional and sub-regional seminars and workshops are regularly organized to familiarize Governments, trade and the transport industry with the facilities of the Convention.

Work is continuously under way to extend the scope of the TIR system to more countries in Asia, Africa, Latin America and the Middle East. This work is undertaken, not only by UNECE and the TIR secretariat but also by other United Nations Regional Commissions and other United Nations entities, such as UN-OHRLLS. These efforts are supported by various international bodies and financial institutions, such as IRU, the European Commission, the World Bank, the Asian Development Bank or the Economic Cooperation Organization which see the TIR system as an important element in facilitating road transport in their areas of interest.

1.5.2 COMPUTERIZATION OF THE TIR PROCEDURE

Worldwide, the replacement of paper documents by electronic data processing is an ongoing process of great importance both for customs administrations and transport operators.

Customs administrations are confronted with an enormous dilemma. On the one hand they are governed by laws which oblige them to collect and account for revenues in an effective and efficient manner as well as to prevent fraud and smuggling of contraband. On the other hand, they are increasingly criticized by trading parties (importers, exporters, transport operators, freight forwarders) for not facilitating the speedy throughput of cargo.

Taking into account the limitations of customs manpower and the increasingly sophisticated methods of customs fraud and smuggling, there seems to be no other way than to improve customs controls by making use of the latest risk analysis techniques. For that purpose, national and international procedures need leverage the latest technologies and electronic data processing.

With this in mind, customs administration and the transport industry alike are already extensively using information and communication technology (ICT) to improve the efficiency of the TIR procedure. In most TIR Contracting Parties TIR operations are managed by customs ICT systems and transport companies are making use of ICT systems provided by customs or other private initiatives, such as the IRU TIR Electronic Pre-Declaration System (TIR-EPD), to submit the TIR related data in advance and in electronic form. Moreover, the TIR secretariat, mandated by TIRExB, is continuously improving the ITDB to ensure that both customs officers and customs ICT systems can easily access the information on authorized TIR Carnet holder and, soon, on TIR approved customs offices. Finally, the control system for TIR Carnets (as described in Annex 10) was greatly improved when a modern ICT system provided an alternative to customs administration for sending termination data via fax.

All those developments have greatly contributed to the computerization of certain aspects of the TIR procedure but, in 2003, the Contracting Parties to the TIR Convention launched the “eTIR project” to completely computerize the TIR procedure.

The aim of the eTIR Project, and in particular the eTIR international system, is to ensure the secure exchange of data between national customs systems for the international transit of goods, vehicles or containers according to the provisions of the TIR Convention and to allow customs to manage the data on guarantees, issued by guarantee chains to authorized users of the TIR system. The eTIR system will offer benefits to all actors involved in the TIR system. First, it will bring additional security and risk management opportunities, thus reducing the risk of fraud. Second, advanced international cooperation will allow all actors to significantly reduce their administrative burden and to maximize the benefits of integrated supply chain management. Finally, the provision of advance cargo information and the exchange of information in real time will speed up the TIR procedure.

The efforts to computerize the TIR procedure have gained momentum in 2014 when the work on the technical and conceptual aspects of eTIR reached a level allowing to launch pilot projects and to establish a dedicated expert group to develop the draft legal framework to include eTIR in the TIR Convention. Moreover, in 2015, the TIR Contracting Parties adopted a Joint Statement, committing themselves to the objective of computerizing the TIR procedure as soon as possible.

In order to put the conceptual and technical work to the test and to help fine-tune it, two eTIR pilot projects were launched. The first pilot project, between Turkey and Iran (Islamic Republic of), was concluded successfully and to the satisfaction of all stakeholder involved in the project in February 2017, demonstrating that a paperless TIR procedure was possible. The second eTIR pilot project, between Georgia and Turkey, is still ongoing and aims as demonstrating the practical feasibility of a secure Customs-to-Customs electronic exchange of TIR related data.

1.6 CONCLUSION

Since its inception in 1949, the TIR system is the only global customs transit system that has played an important role in facilitating international trade and transport.

The TIR system is, today, faced with new challenges, such as new and more sophisticated methods of fraud and smuggling, changing economic and political forces, as well as expected new trends in trade patterns with the accession of new Contracting Parties that are due to start using the system in the near future. As such, the computerization of the TIR procedure is now a policy imperative, to ensure viability of the system through increased security and facilitation.

At the same time, major international developments, such as the adoption and advancement of the Sustainable Development Agenda, the Vienna Programme of Action and the WTO-TFA should be taken into due account when considering the further improvement and modernization of the TIR Convention.

It is the aim of the UNECE and the TIR secretariats to continue to work in this direction and to provide a well-functioning international machinery to further improve cooperation and coordination among Contracting Parties to the TIR Convention and the transport industry. It is essential to continuously improve the legal framework within which the TIR transit system operates and to streamline its operation so that the TIR transit system is always in line with the requirements of the transport industry and of the Customs authorities. The United Nations, as a universal organization, is the depositary of the TIR Convention and provides the framework and the services to administer and, where necessary, adapt the TIR Convention to changing requirements.

1.7 INFORMATION ABOUT THE TIR SYSTEM

Apart from the present TIR Handbook which exists in hard copy and electronic version in numerous languages, several other sources of information about the TIR Convention and its application in Contracting Parties exist.

The most complete and permanently updated source of information is the UNECE TIR web site, administered by the UNECE TIR secretariat (<http://tir.unece.org>). This web site provides, in addition to the numerous language versions of the TIR Handbook, up-to-date information on the administration and application of the TIR Convention in all Contracting Parties. It contains the latest information on legal interpretations of the TIR Convention, on depositary notifications and on national and international control measures introduced by customs authorities and the TIR Administrative Committee. The UNECE Border Crossing Facilitation website (<http://border.unece.org>) contains all documents and reports issued in connection with the sessions of AC.2 and WP.30 and its expert groups (in English, French and Russian).

Furthermore, the TIR secretariat maintains an international directory of national TIR and eTIR Focal Points in all countries applying the TIR system. These experts from national customs administrations and national associations may be contacted on the application of the Convention at the national level. Information on TIR and eTIR Focal Points is available on UNECE TIR and UNECE Border Crossing Facilitation website. The TIR secretariat also maintain an international register of Customs sealing devices and customs stamps used under the TIR Convention which is available online for restricted use by customs authorities.

The UNECE secretariat, TIRExB and the TIR secretariat can be reached as follows:

TIR secretariat
Palais des Nations
CH-1210 Geneva, Switzerland
E-mail: tirexb@unece.org

1.8 TIR CARNETS DISTRIBUTED BY IRU TO NATIONAL ASSOCIATIONS

<i>Countries</i>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Afghanistan	-	-	-	-	-	-	50	0	0	0	0
Albania	800	950	950	500	500	600	1,350	1,400	1,900	2,250	600
Armenia	300	500	350	800	2,000	3,800	2,200	0	0	0	50
Austria	9,850	11,150	8,550	7,500	8,400	6,650	4,750	3,200	2,600	1,700	2,900
Azerbaijan	9,000	9,500	7,600	7,800	9,100	11,400	10,300	4,800	3,800	2,800	1,900
Belarus	194,300	213,600	161,400	158,100	173,200	215,000	170,800	113,400	95,250	65,200	55,600
Belgium – Luxembourg	300	500	500	550	350	250	200	200	50	100	0
Bosnia and Herzegovina (4)	-	-	-	600	900	900	1,800	2,000	1,000	800	600
Bulgaria	140,000	148,200	124,200	137,600	150,000	131,000	133,550	125,150	86,000	59,900	44,800
Croatia	6,300	5,300	2,900	4,250	6,250	6,800	5,850	4,350	3,850	1,950	1,150
Cyprus	400	0	0	0	0	0	0	0	0	0	0
Czech Republic	17,800	22,200	14,250	15,000	23,250	23,850	19,250	19,400	13,300	8,350	12,200
Denmark	1,000	800	300	600	600	850	400	450	300	450	300
Estonia	51,000	39,000	24,500	40,000	38,500	52,200	36,400	1,600	1,200	1,300	2,150
Finland	20,100	17,600	10,700	11,600	14,350	11,400	10,350	1,850	800	600	500
France	5,000	4,700	2,700	3,650	3,700	2,300	1,550	850	550	250	50
Georgia	4,100	4,000	4,000	4,200	7,000	8,200	10,500	7,500	6,000	11,000	5,500
Germany	40,450	31,400	7,650	18,950	24,900	16,450	16,450	7,800	7,700	4,900	5,450
Greece	19,800	21,900	9,550	16,000	16,600	5,000	7,700	4,000	5,100	5,050	2,100
Hungary	16,000	26,100	14,500	17,800	19,400	28,500	20,800	18,700	13,200	6,500	10,550
Iran (Islamic Republic of)	52,000	48,000	58,000	54,000	78,000	85,000	105,000	90,000	85,000	118,000	115,000
Ireland	0	0	0	0	0	0	0	0	0	0	0
Israel	0	0	0	0	0	0	0	0	0	0	0
Italy	0	3,550	4,050	4,000	2,550	2,000	3,500	1,000	1,500	2,000	500
Jordan	0	50	50	500	300	50	150	50	0	50	50
Kazakhstan	39,050	32,150	31,000	30,050	24,500	19,000	25,000	24,200	18,500	23,500	21,300
Kuwait	50	0	0	0	0	0	0	0	0	0	0
Kyrgyzstan	18,100	17,050	15,050	14,050	20,700	17,100	22,200	20,900	9,300	4,800	4,100
Latvia	90,600	108,900	57,000	86,200	100,100	97,800	91,900	57,600	31,200	31,100	19,950
Lebanon	100	0	50	0	50	50	300	500	350	550	600
Lithuania	174,500	218,500	111,500	157,500	185,200	191,600	195,000	150,000	78,000	73,200	67,100
The former Yugoslav Republic of Macedonia	20,300	23,900	18,200	23,500	21,800	25,400	29,300	34,000	27,700	19,400	14,000
Mongolia	50	0	0	0	50	100	100	50	50	50	200
Montenegro (2)	-	150	150	50	100	300	300	300	200	150	100
Morocco	0	100	100	150	200	100	200	100	0	0	0

<i>Countries</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
Netherlands	7,250	8,200	8,700	9,600	5,900	9,650	8,650	6,200	3,250	3,700	1,000
Norway	50	200	500	150	0	50	0	50	0	0	0
Poland	185,100	286,050	205,100	283,100	310,050	296,000	260,500	283,000	227,500	138,000	181,900
Portugal	150	0	50	0	0	0	0	0	0	0	0
Republic of Moldova	77,100	77,850	65,950	68,000	79,100	81,550	77,450	65,200	37,150	43,800	55,000
Romania	17,800	27,300	25,900	43,500	62,000	53,300	58,800	40,200	27,200	18,850	14,000
Russian Federation	660,900	696,600	404,800	521,500	568,200	598,000	529,700	300,400	163,900	137,800	122,600
Serbia (3)	12,100	15,300	12,400	20,000	21,100	27,900	33,400	21,900	20,000	18,400	19,200
Serbia and Montenegro (1)	-	-	-	-	-	-	-	-	-	-	-
Slovakia	22,550	21,850	12,550	17,400	19,900	20,100	17,900	17,700	14,100	10,900	8,900
Slovenia	12,000	14,350	5,750	10,100	10,400	12,650	9,700	8,650	7,300	7,800	0
Spain	3,100	3,000	3,500	2,500	2,700	4,300	2,500	800	600	200	400
Sweden	850	900	300	800	400	650	700	200	0	250	0
Switzerland	550	550	800	600	600	400	300	350	300	200	100
Syrian Arab Republic	2,150	2,400	2,400	5,050	4,650	1,150	150	200	650	650	500
Tajikistan	500	400	900	700	1,500	2,950	3,500	4,000	2,500	2,350	3,100
Tunisia	0	0	0	0	0	0	0	0	0	0	0
Turkey	788,500	765,000	490,000	701,500	672,000	685,000	540,500	385,500	325,100	213,900	200,000
Turkmenistan	1,000	1,000	2,000	3,200	4,700	6,000	7,500	11,000	13,000	13,000	1,000
Ukraine	345,000	317,000	292,000	309,500	363,600	376,800	434,000	95,000	154,500	140,700	143,600
United Arab Emirates	-	-	-	-	-	-	-	-	-	-	50
United-Kingdom	1,350	1,100	550	500	1,050	700	200	350	0	0	0
Uzbekistan	7,000	5,000	6,500	9,000	14,100	17,500	7,500	9,000	9,000	27,000	14,000
Yugoslavia	-	-	-	-	-	-	-	-	-	-	-
Total	3,076,250	3,253,800	2,230,400	2,822,200	3,074,500	3,158,300	2,920,150	1,945,050	1,500,450	1,223,400	1,154,650

Note (1) Serbia and Montenegro was one country until 2006. As from 2006 figures for (2) Montenegro and (3) Serbia are separated The IRU started issuing TIR Carnets to Serbia in 2006 and to Montenegro in 2008. Issuance of TIR Carnets to (4) Bosnia and Herzegovina started in 2010. In (5) Malta the association acts only as guarantor.

1.9 ROLES AND RESPONSIBILITIES OF DIFFERENT PARTIES INVOLVED IN THE TIR SYSTEM

The TIR system is a well-balanced mechanism based on cooperation among the Contracting Parties and the transport industry. With a view to ensuring its smooth functioning, it is essential that all parties involved - Governments, the TIR Executive Board, national guaranteeing associations, transport operators, international organizations – meet

their obligations in accordance with the provisions of the TIR Convention. An overview of the roles and responsibilities of the main players in the TIR system is given below.

1.9.1 RESPONSIBILITY OF THE GOVERNMENT (NON-EXHAUSTIVE LIST)

- Acceptance of the TIR Convention in accordance with national law (i.e. publication in the national public law journal);
- Deposit of an instrument of accession with the Treaty Section of the Office of Legal Affairs of the United Nations in New York (depository) (Article 52);
- Authorization of (a) national guaranteeing organization(s) (Article 6 and Annex 9, Part I);
- Authorization of persons to utilize TIR Carnets (Article 6, Annex 9, Part II);
- Publication of a list of customs offices approved for accomplishing TIR operations (Article 45);
- Training of customs officials in the operation of the TIR procedure;
- Establishment or designation of an authority responsible for the approval of road vehicles and containers (Article 12);
- Transmission of information to the international organization or to the national guaranteeing associations about the termination of TIR operations at customs offices of destination in their country (Article 42 ter and Annex 10, para. 1);
- Deposit of the following documentation and information with the TIR Executive Board (TIRExB):

International guarantee system

- A certified copy of the written agreement or any other legal instrument between the competent authorities and the national guaranteeing association as well as any modifications thereto (Annex 9, Part I, para. 2);
- A certified copy of the insurance or financial guarantee contract as well as any modifications thereto (Annex 9, Part I, para. 3 (v));
- A copy of the insurance certificate (to be renewed annually) (Annex 9, Part I, para. 3 (v)).

Controlled access to the TIR procedure

- The particulars of each person authorized by the competent authorities to use TIR Carnets or whose authorization has been withdrawn (Annex 9, Part II, para. 4). This information may be transmitted by means of the proper use of electronic applications developed to this end by the TIR secretariat under the supervision of the TIR Executive Board (E.N. 9.II.4);
- Yearly, a complete and updated list of all persons authorized by the competent authorities to use TIR Carnets or whose authorization has been withdrawn (Annex 9, Part II, para. 5). This information may be transmitted by means of the proper use of electronic applications developed to this end by the TIR secretariat under the supervision of the TIR Executive Board (E.N. 9.II.5);
- The particulars of each person excluded from the operation of the Convention in accordance with Article 38. The legal requirement to notify the TIR Executive Board that a person has been temporarily or permanently excluded from the operation of the Convention is deemed to be fulfilled by means of the proper use of electronic applications developed to this end by the TIR secretariat under the supervision of the TIR Executive Board (E.N. 0.38.2).

National control measures

- The details of any national control measures that competent national authorities intend to introduce in accordance with Article 42 bis. The term “immediately” in Article 42 bis is understood to mean that national measures that may affect the application of the TIR Convention and/or functioning of the TIR system, ought to be communicated in writing to (TIRExB as soon as possible and, if possible, prior to their entry into force so as to allow TIRExB to efficiently discharge its supervisory functions and fulfil its responsibility to examine the measure as to its conformity with the TIR Convention in accordance with Article 42 bis and its Terms of Reference as laid down in Annex 8 of the TIR Convention (E.N. 0.42 bis).

Customs sealing devices and Customs stamps

- The particulars of customs sealing devices and stamps approved and used in the TIR procedure (TRANS/WP.30/157, para. 93).

1.9.2 ROLES AND RESPONSIBILITIES OF THE NATIONAL GUARANTEEING ASSOCIATION (NON-EXHAUSTIVE LIST)

- Undertake to pay up to the maximum of the guaranteed amount of the import and export duties and taxes, together with any default interest, due under the customs laws and regulations of the Contracting Party in which an irregularity leading up to a claim against the guaranteeing association has been established in connection with a TIR

operation. The association is liable, jointly and severally with the persons from whom the sums mentioned above are due, for payment of such sums (Article 8, para. 1);

- Conclude a written agreement on the functioning of the international guarantee system with the authorized international organization (at present IRU is managing the only existing international guarantee system) (Explanatory Note 0.6.2bis-1);
- Act as guarantor (Article 6, paragraph 1). This guarantee should also cover the liabilities incurred in connection with operations under cover of TIR Carnets issued by foreign associations affiliated to the same international organization as that to which it is itself affiliated (Article 6, para. 2);
- Issue TIR Carnets only to persons who fulfil the minimum conditions and requirements (Article 6, paragraph 4 and Annex 9, Part II) and whose access to the TIR procedure has not been refused or withdrawn by the competent authorities of Contracting Parties in which the person is resident or established (Article 6, para. 3);
- Cover its liabilities to the satisfaction of the competent authorities of the Contracting Parties in which it is established with an insurance company, pool of insurers or financial institution. The insurance or financial guarantee contract(s) shall cover the totality of its liabilities in connection with operations under cover of TIR Carnets issued by itself and by foreign associations affiliated to the same international organization as that to which it is itself affiliated. (Annex 9, Part I, para. 3 (v));
- Conclude a declaration of commitment with the transport operator requesting TIR Carnets (Annex 9, Part II, para. 1(e));
- Issue TIR Carnets on the basis of a risk management approach (Annex 9, Part I, para. 3 (iii));
- Take, in close cooperation with the competent authorities, all necessary measures to ensure the proper use of TIR Carnets (Article 42 bis);
- Train TIR Carnet holders on the proper implementation of the TIR procedure;
- Provide the TIR Executive Board, annually, before 1 March, with the price of each type of TIR Carnets it issues (Annex 9, Part I, para. 3 (vi)).
- Transmit to the competent national authority the following documentation and information:

International guarantee system

- A certified copy of the insurance or financial guarantee contract as well as any modifications thereto (Annex 9, Part I, para. 3 (v));

- A copy of the insurance certificate (to be renewed annually) (Annex 9, Part I, para. 3 (v)).

Controlled access to the TIR procedure

- Yearly, a complete and updated list of all persons authorized by the competent authorities to use TIR Carnets or whose authorization has been withdrawn (Annex 9, Part II, para. 5) This information may be transmitted by means of the proper use of electronic applications developed to this end by the TIR secretariat under the supervision of the TIR Executive Board (E.N. 9.II.5).

1.9.3 RESPONSIBILITY OF THE TRANSPORT OPERATOR (NON-EXHAUSTIVE LIST)

- Conclusion of a declaration of commitment with the national guaranteeing association stipulating the conditions for use of TIR Carnets (Annex 9, Part II, para. 1 (e));
- Presentation of the road vehicle, the combination of vehicles or the container together with the load and the TIR Carnet relating thereto at the customs office of departure, the customs office en route and the customs office of destination. He shall also be responsible for due observance of the other relevant provisions of the Convention (Article 1 (o));
- Payment of the sums due, mentioned in Article 8, paragraphs 1 and 2 of the Convention, if requested to do so by the competent authorities in line with Article 11, para. 2 (Annex 9, Part II, para. 1 (e) (ii));
- Placement of the TIR plate on approved road vehicles (Article 16);
- Training of its staff, in particular drivers, for the proper implementation of TIR transports.

1.9.4 ROLES AND RESPONSIBILITIES OF THE INTERNATIONAL ORGANIZATION (AT PRESENT: IRU) (NON-EXHAUSTIVE LIST)

- Obtain the authorization from Contracting Parties (TIR Administrative Committee) to take on responsibility for the effective organization and functioning of an international guarantee system (Article 6, paragraph 2 bis and Annex 9, Part III, para.2);
- Conclude written agreements on the functioning of the international guarantee system with national guaranteeing associations (Explanatory Note 0.6.2 bis-1);
- Obtain the authorization from the TIR Administrative Committee to print and distribute TIR Carnets (Annex 8, Article 10 (b));

- Conclude a written Agreement with UNECE, reflecting the authorizations granted in accordance with Article 6.2 bis and/or Annex 8, Article 10 (b) and stipulating that the international organization shall fulfil the relevant provisions of the Convention, shall respect the competences of the Contracting Parties to the Convention and shall comply with the decisions of the Administrative Committee and the requests of the TIRExB. By signing the Agreement, the international organization confirms that it accepts the responsibilities imposed by the authorization (Explanatory Notes 0.6.2 bis-2 and 8.10 (b)).

- Pursuant to the authorization in accordance with Annex 9, Part III, para. 2, the international organization shall:
 - provide the Contracting Parties of the TIR Convention via the national associations affiliated to the international organization with certified copies of the global guarantee contract and proof of guarantee coverage;
 - provide the competent bodies of the TIR Convention with information on the rules and procedures set out for the issuance of TIR Carnets by national associations;
 - provide the competent bodies of the TIR Convention, on a yearly basis, with data on claims lodged, pending, paid or settled without payment;
 - provide the competent bodies of the TIR Convention with full and complete information on the functioning of the TIR system, in particular, but not limited to, timely and well-founded information on trends in the number of non-terminated TIR operations, claims lodged, pending, paid or settled without payment that might give rise to concerns with regard to the proper functioning of the TIR system or that could lead to difficulties for the continued operation of its international guarantee system;
 - provide the competent bodies of the TIR Convention with statistical data on the number of TIR Carnets distributed to each Contracting Party, broken down by type;
 - provide TIRExB with details of the distribution price by the international organization of each type of TIR Carnet;
 - take all possible steps to reduce the risk of counterfeiting TIR Carnets;
 - take the appropriate corrective action in cases where faults or deficiencies with the TIR Carnet have been detected and report these to TIRExB;

- fully participate in cases where TIRExB is called upon to facilitate the settlement of disputes;
- ensure that any problem involving fraudulent activities or other difficulties with regard to the application of the TIR Convention is immediately brought to the attention of TIRExB;
- manage the control system for TIR Carnets, provided for in Annex 10 of the Convention, together with national guaranteeing associations affiliated to the international organization and the customs authorities and inform the Contracting Parties and the competent bodies of the Convention of problems encountered in the system;
- provide the competent bodies of the TIR Convention with statistics and data on the performance of Contracting Parties with regard to the control system provided for in Annex 10;
- conclude, not less than two months before the provisional date of entry into force or renewal of the authorization granted in accordance with Article 6.2bis of the Convention, a written agreement with the United Nations Economic Commission for Europe secretariat, mandated by and acting on behalf of the Administrative Committee, which shall include the acceptance by the international organization of its duties set out in Annex 9, Part III, para.2;
- Attend as observer the sessions of the TIR Administrative Committee (Annex 8, Article 1 (ii)), TIRExB (Annex 8, Article 11, para. 5), UNECE Working Party on Customs Questions affecting Transport (WP.30).

1.9.5 ROLES AND RESPONSIBILITIES OF THE TIR EXECUTIVE BOARD AND TIR SECRETARY (NON-EXHAUSTIVE LIST)

- supervise the application of the Convention, including the operation of the guarantee system, and fulfil the functions entrusted to it by the Administrative Committee; (Annex 8, Article 10 (a));
- supervise the centralized printing and distribution to the associations of TIR Carnets which may be performed by an agreed international organization as referred to in Article 6; (Annex 8, Article 10 (b));
- coordinate and foster the exchange of intelligence and other information among competent authorities of Contracting Parties; (Annex 8, Article 10 (c));
- coordinate and foster the exchange of information between competent authorities of Contracting Parties, associations and international organizations; (Annex 8, Article 10 (d));

- facilitate the settlement of disputes between Contracting Parties, associations, insurance companies and international organizations without prejudice to Article 57 on the settlement of disputes; (Annex 8, Article 10 (e));
- support the training of personnel of customs authorities and other interested parties concerned with the TIR procedure; (Annex 8, Article 10 (f));
- maintain a central record for the dissemination to Contracting Parties of information to be provided by the international organizations as referred to in Article 6, on all rules and procedures prescribed for the issue of TIR Carnets by associations, as far as they relate to the minimum conditions and requirements laid down in Annex 9; (Annex 8, Article 10 (g));
- monitor the price of TIR Carnets. (Annex 8, Article 10 (h)).